

Message Text

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PAGE 01 KHARTO 02711 041110Z

47

ACTION AF-10

INFO OCT-01 ISO-00 COME-00 EB-07 RSC-01 /019 W

----- 074498

R 041035Z DEC 74

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 9090

UNCLAS KHARTOUM 2711

E.O. 11652: NA

TAGS: ETRD, BCOM, SU

SUBJ: INQUIRIES RE GUM ARABIC

REF: STATE 263219, KHARTOUM 2250

1. RELIABLE SOURCE IN GUM ARABIC CO. (GAC) TOLD EMBASSY NOV 30 THAT FIXED PRICE SYSTEM HAD BEEN RESUMED AS PREDICTED (KHARTOUM 2250). IN CABLE TO CUSTOMERS NOV 18 GAC OFFERED "CAS" GUM AT \$2250 PER METRIC TON (MT) AND "HBS" AT \$2350 PER MT, FOB PORT SUDAN, PLUS 2 PERCENT COMMISSION, FOR SHIPMENTS DECEMBER/APRIL; PAYMENT BY LETTER OF CREDIT ONLY. IN ADDITION, GAC INTRODUCED FOLLOWING DISCOUNTS: \$10 PER MT FOR SALES OF 20 TO 50 MT; \$20 PER MT FOR SALES OF 51 TO 100 MT; \$30 PER MT FOR SALES OF 101 TO 200 MT; AND NEGOTIABLE AMOUNTS FOR SALES EXCEEDING 200 MT. SOURCE OPINED THAT U.S. CUSTOMERS SHOULD BE SATISFIED SINCE CONTINUOUS SUPPLY IS NOW "GUARANTEED" AS RESULT OF A) ELIMINATION OF TENDERING SYSTEM AND B) EXPECTED HIGH YIELD IN 1974/75, AND PRICES HAVE DROPPED AVERAGE OF 50 PERCENT SINCE FIRST TENDER. (EMBASSY INVESTIGATIONS REVEAL PRICE DROP TO AS LOW AS \$2000 PER MT FOR RECENT SALE OF 400 MT TO ITALY.)

2. COMMENT: GAC APPARENTLY HAS CONVINCED HIGHER GOVERNEMENT AUTHORITIES OF DANGERS INVOLVED IN TENDERING SYSTEM, WHICH LED TO SELLING BULK OF 1974 SUPPLY TO BROKERS RATHER THAN TO TRADITIONAL CUSTOMERS. WHILE PRICES ARE DECREASING, THEY ARE STILL TRIPLE THE AVERAGE OF TWO YEARS AGO. MOREOVER, THE REDUCTION WILL FACILITATE MARKETING OF THE RELATIVELY LARGE 1974/75 CROP (AT LEAST 35,000 MT) AND THUS SPEED UP THE INFLOW OF FOREIGN EXCHANGE, WHICH HAS LAGGED DUE TO LOW COTTON SALES.

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NEW GUM CROP NOW BEING HARVESTED; THERE VIRTUALLY NO CARRY-

OVER FROM 1973/74.
BREWER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, PRICES
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Draft Date: 04 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KHARTO02711
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740351-0752
From: KHARTOUM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741262/aaaacauh.tel
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Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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TAGS: ETRD, SU, GUM ARABIC CO
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